



# QUARTER NOTES

For Members of  
Breco Federal  
Credit Union

Mission Statement:

“To Improve Our Members’ Financial Position”

Second Quarter 2007



## Breco Opens New Branch Location

We are proud to announce the opening of our newest satellite office located inside the Riverbend Nuclear Plant. Because of security, this location is not open to the general public, however, it will provide a tremendous level of member service to all of the Breco members and potential members that work at that facility. Jennifer Mounts is the Branch Manager. You can reach her at 225-336-6111. Entergy employees can dial her internally at 8-558-6111 and her interoffice address will be R-GSB-18.

## Annual Privacy Notice Disclosure

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates, or others; and
- Information we receive from a consumer reporting agency.

We may disclose all of the information we collect, as described above, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

We do not disclose any nonpublic personal information about our members and former members to anyone, except as permitted by law.

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

*Holiday  
Closings*



Labor Day – September 3rd

## The Benefits of Quantitative Investing

A growing number of investors are looking for advanced strategies to build wealth, manage risk and meet their financial goals for retirement. For many of these investors, quantitative investing is becoming increasingly popular.

### Pinpointing patterns

Quantitative investing is used by professional portfolio managers who develop cutting edge mathematical models to identify patterns among decades worth of stock prices and other financial market data. The ultimate goal is to find previously successful investment strategies and apply that knowledge to help consistently outperform the market over time. For example, investors might examine 50 years worth of stock returns and learn that company stocks with strong earnings relative to their market capitalizations — the total value of a company’s stock — consistently outperformed other shares during that time. The managers would then try to find stocks with those characteristics in today’s market and buy them.



This is a different approach from fundamental investing, where, for example, a typical investor might research a company and its stock by examining financial statements and evaluating the quality of its management, customers and competitors. In contrast, quantitative investing is based entirely on data and takes away the subjective elements of investing.

### Benefits of a quantitative approach

Quantitative investing offers several potential advantages to investors:

- **Unemotional investing.** Most investors focus on the qualitative and subjective aspects of an investment — the perceived strength of a management team, for example — which makes them susceptible to emotional biases that can cloud judgment about a company and its stock. As a result, investors might misinterpret information and make mistakes. Quantitative investing, by contrast, uses logic and historical facts to drive decisions.
- **Discipline.** A quantitative approach is consistent and repeatable. Quantitative models use a systematic investment methodology for security selection within a given portfolio. It is based on historical performance data to help provide results and help manage investment risk.
- **The potential for market-beating returns.** By examining decades worth of stock returns and other financial data using powerful technology, quantitative investing seeks to identify investment strategies that were previously successful and have qualities that indicate their likelihood to succeed in today’s markets. This may give quantitative investors the potential to consistently deliver returns above those of a benchmark index.

- **Lower volatility.** Quantitative investing often uses multiple computer models that seek out companies with various risk characteristics. For example, one model might identify stocks that are currently performing well, while another might find shares that have recently underperformed but are poised to rebound. Combining these two types of stocks in a portfolio may enhance its overall diversification\* and reduce volatility — when one investment is lagging, the other may be climbing.

**A comprehensive approach: style diversification.** Advanced mathematical techniques allow quantitative managers to combine different investment strategies in a single portfolio. For example, a manager may build independent computer models that look for different factors that can influence a company’s stock price. One model may look for companies that are currently undervalued, while another may look for stocks with rising prices. Yet

another may focus on companies with solid features, such as stable earnings and low debt.

**Consider your investment objectives.** Quantitative investing is a sophisticated method of investment selection. A financial advisor can help you consider the potential risks and advantages of this strategy and its inclusion within a portfolio of multiple investment styles. Quantitative investing offers tremendous potential capabilities when it comes to your most important financial goals — like retirement — from allocating assets to potentially enhancing performance and managing risk. With its disciplined approach, quantitative investing can serve as a unique and effective component of successful investing.

Feel free to call or email me to see if quantitative investing may be appropriate for you.

\*Diversification and asset allocation help you spread risk throughout your portfolio, so investments that do poorly may be balanced by others that do relatively better. Diversification and asset allocation do not ensure a profit or protect against loss.

Provided by  
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# SAVINGS RATES

**Regular Shares, IRAs and Christmas Club:** 1.74% (1.75% APY) – Rate paid during last quarter. Dividends declared at end of each quarter.

\*Must maintain minimum average daily balance of \$25.00 to earn dividends.

**Checking Accounts:** .100% (1.00% APY) - No monthly service charge, no per check fee, direct deposit available, free debit card

\*Must maintain minimum average daily balance of \$100.00 to earn dividends.

*APY = Annual Percentage Yield. Rates subject to change without notice. Penalty for early withdrawal.*

## TERM SHARE CERTIFICATES

### (\$500 Minimum)

- 6 months – 4.65% APY (4.55%)
- 12 months – 5.06% APY (4.94%)
- 18 months – 5.11% APY (4.99%)
- 24 months – 5.16% APY (5.04%)
- 36 months – 5.16% APY (5.04%)
- 48 months – 5.20% APY (5.08%)
- 60 months – 5.25% APY (5.12%)

### (\$10,000 Minimum)

- 6 months – 4.75% APY (4.65%)
- 12 months – 5.15% APY (5.03%)
- 18 months – 5.20% APY (5.08%)
- 24 months – 5.25% APY (5.13%)
- 36 months – 5.25% APY (5.13%)
- 48 months – 5.30% APY (5.17%)
- 60 months – 5.35% APY (5.22%)

# LOAN RATES

**New Auto & Motorcycle:** Up to 100% financing, .25% discount for 10% down, .50% discount for 20% down

5.24% - 13.24% APR, Terms from 24 - 72 months (72 month term available ONLY on loans over \$25,000) (84 month term available ONLY on loans over \$35,000)

**Used Auto & Motorcycle:** Up to 100% financing, .25% discount for 10% down, .50% discount for 20% down: (Loans up to NADA Retail Value)

5.24% - 13.24% APR Terms from 24 - 72 months (60 month term available ONLY on loans over \$10,000, 72 month term available ONLY on loans over \$15,000)

**Signature:** Borrow up to \$15,000 for personal needs.

9.50% - 18.00% APR - Terms from 24 - 60 months

**Student Tuition:** Borrow up to \$15,000 for school tuition.

6.95% - 13.95% APR - Terms from 9 - 12 months

**Share & Share Certificate Secured:** Borrow against funds in your regular share account or share certificate

Share Secured - 4.00% APR  
Share Certificate Secured - 2.0% APR above certificate rate

**Home Equity:** Borrow on the equity in your home. Up to 100% Loan to Value.

6.50% - 15.50% APR - Terms from 5 – 15 years

Home Equity Line of Credit - Up to 100% Loan to Value. Credit card and check access to your line.

8.25% APR – Adjustable rate

**New Boats, 4 Wheelers, Jet Skis, Lawn Tractors:** Up to 100% financing, .25% discount for 10% down, .50% discount for 20% down

5.75% - 13.25% APR - Terms from 36 - 72 months

**Used Boats, 4 Wheelers, Jet Skis, Lawn Tractors:** Up to 75% financing

7.75% - 15.25% APR - Terms from 36 - 60 months

**New Motor Homes / Travel Trailers:** Up to 100% financing, .5% discount for 20% down

6.75% - 15.75% APR - Terms from 5 – 10 years

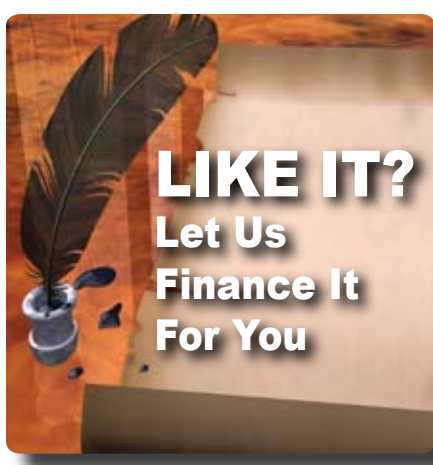
**Used Motor Homes / Travel Trailers:** Up to 80% financing

9.25% - 18.00% APR - Terms from 5 – 10 years

**Land Loans:** Purchase acreage or raw land  
7.00 – 14.50% APR - Terms from 10 – 15 years, 80% LTV financing

**New and Used Mobile Homes:**  
7.50% - 17.00% APR, 5 – 15 year terms

*APR = Annual Percentage Rate. Loans granted on approved credit. Rates, terms and loan limits determined by credit criteria. Rates are subject to change. Call for current rates.*



**1st Mortgages:** 15, 20, 30 and 40 year fixed rates and adjustable rates available.

Call 1-800-366-6041 to pre-qualify or go to [www.homeloancu.com](http://www.homeloancu.com)

Call us for current rates

**Visa Platinum:** 9.9% - No annual fee, 25 day grace period

**Visa Classic:** 12.9% - No annual fee, 25 day grace period

**Personal Computer:** Finance the purchase of a new PC, 90% financing

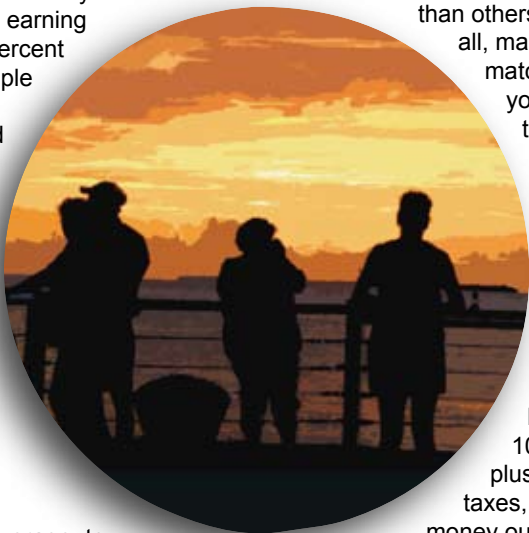
8.75% - 16.50% APR - Terms from 18 – 36 months, borrow up to \$5,000

# Retirement Myths

It is an unfortunate fact that many Americans spend less time planning for their retirement than planning for their vacations. All it takes is intelligent planning – and a clear understanding of the myths that hinder us from building a secure retirement.

## Consider the following myths:

- Myth #1:** I'm too young to worry about retirement. You're never too young to make plans. The sooner you begin saving for retirement, the less you'll have to put aside. For example, if you want to have a \$200,000 nest egg by age 65, you'll only have to save about \$26 a week if you start at age 35. But if you wait until you're 55 to start, you'd have to put aside \$233 every week. (Both cases assume that your money is invested earning a hypothetical 9-percent return. This example is for illustrative purposes only and is not intended to reflect the actual performance of any security. Investing involves risk and you may incur a profit or a loss.)
- Myth #2:** I won't need much to live on. Many experts estimate that on average, to maintain your standard of living in retirement, you'll need 60 to 80 percent of your pre-retirement income. And that income has to continue to grow enough in an attempt to keep up with inflation. Current retirees report needing much more than they expected – as much as 100 to 125 percent of their pre-retirement income!
- Myth #3:** My kids will take care of me. Most children want to lend their aging parents a hand, but many can't afford to. About the time you're ready to retire, they'll be paying their children's college tuition – and saving for their own retirement. You'd be wise, therefore, to leave the kids out of your plans.



- Myth #4:** Social Security will take care of me. Although it's unwise to expect Social Security to cover all your costs, you can take steps to increase your benefits. Work as long as possible. You can start collecting Social Security at age 62, but your benefits may be reduced by 20 percent. If, on the other hand, you work until age 70 you'll receive even more.
- Myth #5:** I can't afford to put money away where I can't touch it for many years. The truth is, you can't afford not to participate in tax deferred retirement plans. Contributions to 401(k) and similar employer sponsored plans may reduce your current taxation. In addition, taxes are also deferred on earnings, so retirement savings have the potential to grow faster than others do. Best of all, many employers match all or part of your contributions to employer sponsored retirement plans, giving you money you would not otherwise have. The one drawback is that you may have to pay a 10-percent penalty, plus current income taxes, if you withdraw money out of a retirement plan before you're 59½.

What should you do? A comfortable retirement requires looking the facts squarely in the face – creating a realistic plan that works for you. Of course, this brief article is no substitute for a careful analysis of your personal circumstances. That's where [goodmoneyhabits.com](http://goodmoneyhabits.com) (GMH) can help. **All BRECO members have FREE access to [goodmoneyhabits.com](http://goodmoneyhabits.com), which can help you understand your retirement situation, and determine whether or not you are on track to retire at a desired age. If you aren't, [goodmoneyhabits.com](http://goodmoneyhabits.com) can help you wade through the options available to you in order to get on track!**

# Did You Know?

- Did you know Breco is the 2nd oldest credit union in the Baton Rouge area? That means we have been and always will be financially stable.
- Did you know Breco is the first place you should look when trying to buy or refinance a house? With our mortgage partners, we can offer a full range of 1st mortgage choices and we're even one of a select group of lenders who can offer 40 year mortgages.
- Did you know we can even do your construction loan for you?
- Did you know there are now over 2,500 places all over the United States where you can walk in and transact business on your Breco account, including Honolulu, Hawaii and Anchorage, Alaska? By being a part of the service center network, it's like having thousands of branches all over the U.S. Don't forget that the Baton Rouge service center on Siegen Lane even has Saturday hours.
- Did you know that our Home Equity Line of Credit can be accessed by checks or by a credit card and that you can even earn Scorecard Rewards points on the credit card?
- Did you know that because you are a Breco member you have free access to a state of the art retirement planning and financial education tool at [www.GoodMoneyHabits.com](http://www.GoodMoneyHabits.com)?
- Did you know that because you are a Breco member you can get a discount on financial planning services with one of the premier financial planners in the area?
- Did you know that we will actually pay you to bring your car loan to us from somewhere else and in most cases, we'll lower your rate too? We'll pay you up to \$100 to refinance your car loan with us and we even pick up all the transfer fees.
- Did you know that if you open a \$Small Bucks Club savings account for your child or grandchild that Breco will match the first \$5 to open the account?
- Did you know that we give away a lot of our services, like Bill Payer, E-Statements, Home Banking, our Checking accounts and more.



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Joyce Buchanan Government St.  
Jack Hatcher Essen Lane

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Mary Poole Shaw Group  
Nikki Jordan Shaw Group  
Shannon Chapman Shaw Group  
Darryl Jones Michoud  
Michael Allen Magnolia  
Mac Leger Lafayette  
David Martinez Little Gypsy  
Rhonda Ramirez Sunland  
Heather Duncan Highlines Construction Company

**MAIN OFFICE**

1850 S. Sherwood Forest Blvd.  
Baton Rouge, LA 70816  
(225) 273-1529  
(225) 273-4697 Fax  
Toll Free: 1-800-361-1631  
Loan Line: (225) 381-5790

**NORTH BLVD. BRANCH**

446 North Blvd.  
Baton Rouge, LA 70802  
(225) 381-5791  
(225) 381-5783 Fax  
8-555-5791 Inside Entergy

Hours: Monday - Friday 9:00 am - 5:00 pm  
Drive-Thru Hours - 8:00 am - 5:00 pm  
Website address: www.brecocfu.com

**SHAW SATELLITE OFFICE**

Office: 225-932-5859  
(225) 932-5860 Fax

**RIVER BEND SATELLITE OFFICE**

Office: 225-336-6111  
Fax: 225-336-6120

**ATMs:**

Main Office (Drive thru) • Riverbend Nuclear Plant  
Shaw Building  
Sur-Charge Free ATM location can be found at  
www.selectatm.com and www.cu24.com

**CREDIT UNION SERVICE CENTERS**

Baton Rouge - 7018 Siegen Lane  
Harvey - 1520 Westbank Expwy.  
Metairie - 5500 Veterans Blvd. #100  
Shreveport - 5804 Line Ave

Monday - Friday 9:00 am - 7:00 pm  
Saturdays 9:00 am - 5:00 pm

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Call for the location nearest you at 1-800-919-2872  
or www.cuservicecenter.com

**STAFF**

**Main Office:**

Ronnie Stephens, President & CEO  
Cheryl Kirby, Asst Manager  
Melissa Firmin, Operations Supervisor  
Latasha Harris, Loan Officer  
Courtney Gatlin, Head Teller  
Michael Averett, Jr., Accountant  
Lori Vige', Operations Assistant  
Carla Saenz, Teller  
Erin Templet, Teller  
Tasia Vernon, Teller  
Jennifer Tucker, Member Services Representative  
Brandy Sibley, Electronic Funds Specialist  
Meggan Canale, Accounting Assistant

**North Blvd.:**

Kim Falgout, Branch Manager & Senior Lender  
Brenda Simpson, Loan Officer  
Mary Tillmon, Head Teller  
Ginger Deroche, Teller

**Shaw Satellite Office:**

Nancy Teer, Branch Manager

**River Bend Satellite Office:**

Jennifer Mounts, Branch Manager

**Breco Federal Credit Union  
Surcharge Free ATMs  
in Baton Rouge Area**

**Addis**

Iberville Bank:  
7451 Hwy. 1 South

**Baton Rouge**

CU Service Center:  
7018 Siegen Lane

Campus Federal  
Credit Union:  
2237 S. Acadian  
LSU Student Union  
3535 Nicholson Ext.  
6230 Perkins Rd.  
257 Lee Dr.

B.R. Telco FCU:  
2226 Wooddale Blvd.  
13404 Airline Hwy.

Dow Louisiana FCU:  
6725 Siegen Lane

E Federal CU:  
3663 Monterrey Dr.  
3861 Scenic Hwy.

Iberville Bank:  
9250 Siegen Lane

Britton & Kontz Bank:  
8810 Bluebonnet, Ste. A

Texaco Food Mart:  
7980 Airline Hwy.

**Carville**

Iberville Bank:  
5445 Point Clair Rd.

**Denham Springs**

Iberville Bank:  
1441 S. Range Ave.

**Plaquemine**

Dow Louisiana FCU  
21925 Hwy. 1 South

Iberville Bank:  
23555 Myrtle Grove Rd.

C & C Chevron:  
24445 Eden St.

Bellevue Mobil:  
58830 Bellevue

**Port Allen**

Iberville Bank:  
780 Court St.

Lucky Louie's Truck Stop:  
4169 N. River Rd.  
514 Hwy. 190 W.

Brusly Chevron:  
3847 Hwy. 1 South

Grand Paradise:  
520 Hwy. 190 West

Langham Chevron:  
1111 Lobdell

LA 1 South:  
3191 Hwy. 1 South

**Prairieville**

Iberville Bank:  
17463 Old Jefferson Hwy.

**St. Gabriel**

Iberville Bank:  
6120 Hwy. 74

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tions and Hours" and "ATM Locations"

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stepparents, stepchildren, stepsiblings and adoptive  
relationships can become Breco FCU members!